

Time Inc. Ventures

BABY TALK
COOKING LIGHT
HEALTH
MARTHA STEWART LIVING
PARENTING
PROGRESSIVE FARMER
SOUTHERN ACCENTS
SOUTHERN LIVING
SUNSET
THIS OLD HOUSE
VIBE

July 19, 1995

Mr. Bill Harmon
Leo Burnett U.S.A.
35 W. Wacker Drive
Chicago, IL 60601

RE: PHILIP MORRIS 1996 PLANNING DISCOUNTS

Dear Bill:

Many thanks for your time on Monday. All of us at **Time Inc. Ventures** appreciate the opportunity to present the 1996 planning discounts for **Philip Morris**. Listed below are the guaranteed planning rates and the kicker discounts as we discussed today:

	<u>PLANNING RATE</u>
SOUTHERN LIVING	25%
SUNSET	25%
COOKING LIGHT	25%
HEALTH	30%
PARENTING	37%
MARTHA STEWART LIVING	30%
VIBE	TK
PROGRESSIVE FARMER	15%
SOUTHERN ACCENTS	20%

A Time Warner Company

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Bill Harmon-2

Thereafter, kickers are available at the following spending levels (these levels are not additive to each other):

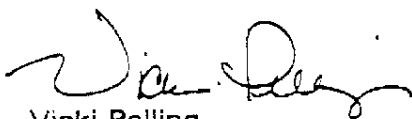
	<u>DISCOUNT</u>
\$7.0MM-\$7.5MM	2%
\$7.5MM-\$8.5MM	3%
\$8.5MM-\$9.5MM	4%
\$9.5MM-\$10.5MM	5%
\$10.5MM-\$11.5MM	5.5%
\$11.5MM+	6%

NOTES:

- 1) PARENTING will guarantee 37% on all spending. No additional kickers will apply. Spending will contribute to spending level.
- 2) ~~HEALTH will guarantee 30% on all spending. Additional 1% at each of \$9MM TIV and \$10MM TIV. No other kickers will apply. All spending will contribute.~~ SEE ATTACHED FROM HEALTH
- 3) All TIV magazines will fall under plan. PM spending in tests will also contribute, but not earn.
- 4) Individual magazines will handle positioning and merchandising requests.
- 5) Promotion spending will only contribute if ordered by a PM agency as magazine ad space at normal rates.

Bill, all of us at Time Inc. Ventures wish you and your client a most successful (and aggressive) 1996! Please call if I can be of any further assistance.

Best regards,



Vicki Pelling
Advertising Sales Director/Midwest

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